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SUBJECT: France's Societal Preferences Trade Initiative -
Discussion with "Friendlies"

REFS: (A) Paris 1085; (B) Paris 1240

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¶1. (SBU) Summary: French initiatives to incorporate societal preferences into European trade policy were the theme of a lunch we hosted with agriculture, econ and commercial counterparts from Canada, Australia, New Zealand and Brazil. The friendlies have been watching recent developments with concern including Ag Minister Barnier's memorandum to the Agricultural Council (REF B). They , agreed that France's moves to impose socially-motivated EU production practices resulting in elevated production costs (e.g. animal welfare) on non-EU trading partners pose a challenge for the the trading system. All also agreed on the need to continue the dialogue and explore avenues for collective action. The keynote speech at French-sponsored food safety conference several days later underscored the seriousness with which France is advancing this agenda. End Summary.

¶2. (SBU) Invitees expressed concern about France's moves to incorporate societal choices into EU trade policy and to legitimize their recognition into international trade standards for food and livestock products. Australia noted that they had addressed this concern in a 20-page agriculture advocacy document. All noted the danger in making trade policy decisions on the basis of production processes instead of science-based standards for the end product itself. There was general recognition that the GOF's initiatives, often cloaked in a mantle of superior moral authority, are a thinly-veiled attempt to protect costly domestic production. The group agreed that the topic should be raised more strongly with respective governments and that the "friendlies" dialogue should continue, with a view toward joint representations. All further agreed to raise the issue with their representatives to international organizations, such as the OIE and OECD, where the subject is emerging.

¶3. (SBU) The attendees noted that France was effectively advocating its position, in light of world environmental and resource sustainability concerns. The New Zealand rep further noted that,

while she was concerned about the French initiative, many of these societal preferences are environmentally oriented and that New Zealand placed a high priority on environmental protection. The parallel between legitimate and imagined SPS concerns was discussed.

14. (SBU) The Canadian rep remarked that this is a good time to address the issue with the Commission as its relationship with France is not particularly amicable (and also to buy time until the end of the French EU presidency). He suggested polling Member States for their response to the French proposal (REF B) and collectively approaching the Commission to express our concerns.

15. (SBU) On October 3, France hosted a conference on health risk assessment in the context of food, animal and livestock imports into the EU. The keynote speech, delivered by a high level Ministry of Agriculture food safety official, focused on the French proposal, which the French seek to have adopted before the end of their EU presidency. The abstract from the portion of the speech addressing societal concerns follows:

Begin Quote:

Eliminate distortions of competition and take better account of European health standards

The Community preference consists in choices made by society in favour of a European food and agricultural production model, such as respecting animal welfare, or controlling health safety throughout the food chain "from the farm to the fork". The objective is to retain the possibility of an enlightened choice for European consumers by ensuring them a high level of health safety. With this in mind:

- European standards should be promoted at international level;
- Systems should be developed provide European consumers with

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comprehensive information and to promote the specific features of European products.

The main ambition of this strategy, one of the priorities of the French Presidency of the Council of the European Union, is to contribute to an ever high food safety guarantee for European citizens in a better globalized world. It is part of a wider approach also addressing the need to protect our environment better, through the desired harmonization of sanitary and phytosanitary standards for example.

To protect and promote our European food model, able to provide a high level of safety for the consumer, this issue needs to be put back on the agenda of discussions on international trade within the World Trade Organization.

Encouraged by the support mustered from EU Member States, Michael Barnier has decided to continue discussions on the issue during the French Presidency of the Council of the European Union. He has asked a task force to draw up more precise recommendations that may feature in the conclusions of the Agriculture Council at the end of the year. End Quote

16. (SBU) AgMinCouns had the opportunity to get reactions from Italian and British reps at the conference. Both said that their governments were skeptical about the French approach to distortions in competition and were unlikely to back this component of the French proposal. Both emphasized that it wasn't practical to think that the EU could translate its social choices into international trade policy and that they doubted the proposal would be adopted.

17. (SBU) Comment: Country team believes that Canadian idea of polling the Member States and then approaching the Commission collectively has some merit, particularly since there appears to be a healthy dose of MS skepticism. We also agree that vigilance at the various IOs is called for, especially given France's proposal to put this topic on the WTO agenda. Further, a review of IO activities reveals that the FAO has been actively working on subject of animal welfare (http://www.fao.org/ag/againfo/home/en/news_archive/2008_animalwelfare.html) and recently concluded a 2-day forum on the

subject. The OIE has a conference in Egypt later in October (http://www.oie.int/eng/A_AW2008/home.htm) at which animal welfare is on the agenda, while the subject of societal concerns is included in the current OECD Program of Work and Budget and has been raised as a possible subject for discussion at the 2010 OECD Ministerial. End Comment.

STAPLETON